



House of Representatives

General Assembly

File No. 219

January Session, 2013

House Bill No. 6477

House of Representatives, March 27, 2013

The Committee on Insurance and Real Estate reported through REP. MEGNA of the 97th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE STATUTORY LIEN FOR ASSESSMENTS ON A CONDOMINIUM UNIT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (b) of section 47-258 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2013*):

4 (b) A lien under this section is prior to all other liens and
5 encumbrances on a unit except (1) liens and encumbrances recorded
6 before the recordation of the declaration and, in a cooperative, liens
7 and encumbrances which the association creates, assumes or takes
8 subject to, (2) a first or second security interest on the unit recorded
9 before the date on which the assessment sought to be enforced became
10 delinquent, or, in a cooperative, a first or second security interest
11 encumbering only the unit owner's interest and perfected before the
12 date on which the assessment sought to be enforced became
13 delinquent, and (3) liens for real property taxes and other
14 governmental assessments or charges against the unit or cooperative.

15 The lien is also prior to all security interests described in subdivision
16 (2) of this subsection to the extent of (A) an amount equal to the
17 common expense assessments based on the periodic budget adopted
18 by the association pursuant to subsection (a) of section 47-257 which
19 would have become due in the absence of acceleration during the [six]
20 twelve months immediately preceding institution of an action to
21 enforce either the association's lien or a security interest described in
22 subdivision (2) of this subsection, and (B) the association's costs and
23 attorney's fees in enforcing its lien. A lien for any assessment or fine
24 specified in subsection (a) of this section shall have the priority
25 provided for in this subsection in an amount not to exceed the amount
26 specified in subparagraph (A) of this subsection. This subsection does
27 not affect the priority of mechanics' or materialmen's liens or the
28 priority of liens for other assessments made by the association.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2013	47-258(b)
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INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill results in no fiscal impact to the Department of Banking as it concerns the interactions between private entities and individuals.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**HB 6477*****AN ACT CONCERNING THE STATUTORY LIEN FOR ASSESSMENTS ON A CONDOMINIUM UNIT.*****SUMMARY:**

The Common Interest Ownership Act (CIOA) gives common interest community associations seeking to collect unpaid common charges a six month priority lien over previously recorded mortgages. This bill extends, from six to 12 months, the priority of common expense assessments over previously recorded mortgages.

EFFECTIVE DATE: October 1, 2013

BACKGROUND***CIOA Liens***

CIOA governs the creation, alteration, management, termination, and sale of condominiums and other common interest communities formed in Connecticut after December 31, 1983.

Under CIOA, associations for condominiums and other common interest communities have a statutory lien on a unit for common charges and other assessments attributable to that unit (CGS § 47-258(a)).

This lien has priority over all other liens and encumbrances on a unit except for (1) those recorded before the recording of the declaration; (2) liens for real estate taxes and other governmental assessments or charges; and (3) first or second mortgages recorded before the assessment became delinquent, except for an amount equal to common expense assessments that would have become due during the six months immediately preceding an action to enforce the association's lien or the mortgage. This six month priority lien over

previously recorded mortgages also includes the association's costs and attorneys fees it incurs to enforce its lien (CGS § 47-258(b)).

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 18 Nay 0 (03/14/2013)